

When combined on the whole, the components of this legislation will provide consumers with the necessary tools and protections to hopefully avoid another housing crisis like we are experiencing, but also realize the importance of not clamping down so hard, and we have heard some folks express concern about this, that we still have the innovations and we still have the ability of subprime mortgages for those who are now living because of the benefits that subprime benefits allows them.

In this bill, we require the registration of all originators under a national registry will be established by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. These new licensing requirements, coupled with the national registry, will make it much more difficult for fraudulent originators to bounce from State to State. This is a problem my State of West Virginia has expressed concern about.

Another component that Mrs. BIGGERT talked about in her statement is to provide consumers with greater access to housing counseling. The availability of counseling will help individuals learn and understand the complicated financial disclosures, all of the paperwork and technical languages that come along with securing and purchasing a mortgage.

Another important reform that was adopted during our committee markup is the inclusion of a one-page estimate outlining the total cost and potential changes in the cost for the consumer over the life of the mortgage product. I have been lucky enough to be a homeowner, and I know when we go in to close at the time to secure our mortgage, the amount of paper and signatures that you have to go through to try to figure out what you are doing is very intimidating. So to have this one-page disclosure I think gives the consumer the ability to have this information right in front of them so they can know what they are getting into and making this process easier.

This legislation also provides more certainty and clarity for the liability of the entities that purchase mortgages on the secondary market.

I would like to particularly thank the chairman of the committee for helping me work through the technicalities of this language to explain to my local newspaper and my local consumer advocates what this language means in the bill. We live in a national economy and must recognize the need for consistency across the board.

In addition to the bipartisan underlying legislation, we will also be considering I think a very important addition to this bill, an amendment I have worked on with Mr. KANJORSKI and Mrs. BIGGERT that will provide additional protection for consumers. This amendment will now require escrow accounts for some mortgages and will provide borrowers with the budgeting

tools necessary to properly manage taxes and insurances on their property. This amendment will also include Federal appraisal standards with serious penalties.

I fully support this bill and thank the chairman and the ranking member.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FRANK of Massachusetts. How much time do I have remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has 2 minutes.

Mr. FRANK of Massachusetts. I yield myself my remaining time to enter into a colloquy with my colleague from Alabama.

Mr. Chairman, the gentleman from Alabama, this has been a collaborative effort in many ways. We have had some disagreements, but there has been a lot of agreement. And the gentleman from Alabama in particular took the lead in the language that went into the bill in committee and is being refined here dealing with nationwide registration requirements, a prerequisite for any kind of enforcement. Now, I appreciated the work he did and the committee benefited from it.

Community banks are obviously very important in this. And, indeed, if only community banks had made loans for mortgages, we wouldn't have a crisis. But we don't want to interfere with their ability to help going forward.

I would just yield to the gentleman in a minute to have him give his interpretation. My view is, and I defer to him as the spokesperson for the committee on this, because we are here talking about language which he developed and which we incorporated. We do have some regulatory requirements here that would affect not just the brokers but community banks. And I assume my colleague from Alabama, in drafting this, certainly intended and we meant to do this in the language, that the regulatory agencies would be able to show some flexibility in terms of the impact of these requirements on our community banks.

I would yield to my friend from Alabama on that point.

Mr. BACHUS. The chairman is correct. Section 107 was designed and implemented to give the Federal bank regulators flexibility in implementing the national registry. And it is the intention of the committee, of the entire committee, that, as they do this implementation, that they give proper consideration to its impact on small financial institutions, smaller impact, and that they try to minimize that impact.

Mr. FRANK of Massachusetts. I thank the gentleman. In my closing seconds, let me just reiterate an important point.

Attorneys General have been concerned about their ability to prosecute and defend against certain abuses. Thanks to the gentleman from North Carolina (Mr. WATT), the effective date of this bill and all of its provisions will be the date of enactment. What that

means is that any transaction that occurred before the bill becomes law, any loan that was made, will not be subject to the preemption. So we do want to reassure any law enforcement official out there that their rights to go against people who have been abusive will in no way, up until new loans are made, be in any way diminished.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today in strong support of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007, introduced by my distinguished colleague from North Carolina, Representative BRAD MILLER. This important legislation will address and reform the mortgage lending processes "to avert a recurrence of the current situation with rising defaults and foreclosures, especially in the sub-prime market."

Mr. Chairman, it is essential that this Congress protects the needs of American families and nothing is more imperative than ensuring that all people have a home. Recent studies have reported that 92 percent of the American population has at some point feared being homeless and this legislation is an important step in alleviating those fears. The current lending crisis must be addressed.

The Federal Government must play an important role in revitalizing and restoring opportunities for Americans to reach the American dream of owning a home. One of the major contributors of the affordable housing shortage is the sub-prime lending crisis that has caused serious negative economic and social consequences that resulted from too little regulation. Because of the lack of regulation by the Federal Government, many loans were accompanied by fraud, inadequate information and other failures of responsible marketing. Foreclosure rates are at 14 percent and are rising at an alarming rate and homeowners across America are losing their homes. Throughout the country, homeowners are surprised to find out that their monthly payments are spiking and they are struggling to make these increasingly high payments.

The sub-prime mortgage crisis has impacted families and communities across the country. Home foreclosure filings rose to 1.2 million in 2006—a 42 percent jump—due to rising mortgage bills and a slowing housing market. In Iowa, 3,445 families experienced foreclosure last year, up 64 percent from 2005.

Nationally, as many as 2.4 million sub-prime borrowers have either lost their homes or could lose them in the next few years.

The Democratic-led House Financial Services Committee has been intently focused on this and other issues and is working toward a balanced solution that helps stabilize the mortgage market, stops abuses, preserves access to credit, and aids stable homeownership.

Creating more affordable housing opportunities will increase more job opportunities for the people of Houston and Harris County. We hope that an increase in affordable housing and job opportunities will also reduce the high rates of homelessness among Houston residents. As you may know:

Houston's homeless population increased to approximately 14,000 in 2005 before Hurricanes Katrina and Rita.

Hurricane evacuees remaining in the Houston area could result in the homeless population increasing by some 23,000 to 30,000.

Houston's homeless population includes an estimated 28 percent of American Veterans.